

## Message Text

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PAGE 01 BUCAR 02966 150803Z

15

ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 AID-20 NSC-10 RSC-01 CIEP-02

TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

IO-13 MC-02 RSR-01 /150 W  
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R 150647Z AUG 73

FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC 6148

INFO AMEMBASSY VIENNA

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FOR UNDERSECRETARY CASEY

VIENNA FOR EXIMBANK

E.O. 11652: N/A

TAGS: ETRD, RO

SUBJECT: ROLE AND OBJECTIVES OF EXIMBANK: ROMANIA

REFS: A) BUCHAREST 0732 B) BUCHAREST 2352 C) BUCHAREST 2857  
D) STATE 157160 E) BUCHAREDST 2965

1. HENRY KEARNS' MESSAGE WAS ESPECIALLY ENCOURAGING TO US IN THE EMBASSY IN ROMANIA, A COUNTRY WHICH ONLY RECENTLY HAS BEEN ABLE TO TAKE ADVANTAGE OF EXIMBANK PROGRAMS. WE FEEL THERE ARE TWO PRINCIPAL POINTS WORTH MAKING WHICH RELATE SPECIFICALLY TO OPERATION OF THE EXIMBANK PROGRAM IN ROMANIA.

2. FIRST IS THE VERY HIGH EFFECTIVENESS OF THE PROGRAM TO DATE WHICH WE FEEL HAS BEEN A PRINCIPAL INSTRUMENT IN MAKING US FIRMS MORE COMPETITIVE IN THIS MARKET SINCE THE INCEPTION OF EXIMBANK ACTIVITIES IN ROMANIA. WE HAVE ALSO NOTED A WILLINGNESS AND COOPERATIVE ATTITUDE AMONG ROMANIAN BANK OFFICERS AND FOREIGN  
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PAGE 02 BUCAR 02966 150803Z

TRADE OFFICIALS TO WORK BOTH WITH US FIRMS USING EXIMBANK FINANC-

ING AS WELL AS DIRECTLY WITH EXIMBANK TO RESOLVE EITHER POLICY MATTERS OR CURRENT PROBLEMS. NEW EXPORT BUSINESS CONTRACTED BY AMERICAN FIRMS WITH EXIMBANK SUPPORT HAS CONTRIBUTED TO THE ENORMOUS GROWTH IN US-ROMANIAN TRADE. IN ONLY THE FIRST SIX MONTHS OF 1973 TRADE BETWEEN US AND ROMANIA HAS ALMOST ATTAINED THE SAME LEVEL AS THAT REACHED IN THE FULL YEAR 1972.

3. SECOND POINT, RELATING TO REPAYMENT AND TO SUITABILITY AND SOUNDESS OF PROJECTS IN THE BUYER'S ECONOMY, HAS BEEN MADE BEFORE BUT BEARS REPEATING BECAUSE OF DISTINCTIVE CONDITIONS IN ROMANIA COMPARED TO MOST OTHER COUNTRIES IN WHICH EXIMBANK OPERATES. DESPITE ITS OPEN ATTITUDE IN INTERNATIONAL ECONOMIC RELATIONS, ROMANIA CONTINUES TO MAINTAIN A VERY TIGHTLY CONTROLLED, CENTRALLY PLANNED DOMESTIC ECONOMY; IT FORMULATES ITS OVERALL PLAN FOR ECONOMIC DEVELOPMENT STRICTLY CONTROLLING AND DIRECTING THE ALLOCATION OF ITS RESOURCES INTO THE AREAS DESIGNED TO BEST MEET ITS ECONOMIC GOALS OF RAPID INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION OF INDUSTRY. (THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP), AND MORE RECENTLY THE INTERNATIONAL MONETARY FUND AND WORLD BANK ALSO HAVE EXAMINED THE MAKEUP OF THE ECONOMY AND, IN THE CASE OF UNDP, PARTICIPATED IN THE DISCUSSION OF PROJECT SUITABILITY IN THE FRAMEWORK OF THE NATIONAL PLAN.) WHATEVER THE POLITICAL IMPLICATIONS OF ROMANIAN CONTROL OVER ITS ECONOMY, IT IS OUR VIEW THAT ROMANIA GIVES AMPLE CONSIDERATION TO THE SUITABILITY AND VIABILITY OF INDIVIDUAL PROJECTS, AND ALSO WORKS THE REPAYMENT SCHEDULE FOR THESE PROJECTS INTO ITS PLAN. IN REGARD TO THIS LATTER POINT, OUR PERSONAL CONTACTS WITH FOREIGN TRADE BANK, NATIONAL BANK AND FINANCE MINISTRY OFFICIALS AND LEADERS SUBSTANTIATE THIS VIEW. THE RESULT, WE FEEL, SHOULD GIVE AN EDGE TOWARD APPROVAL WHEN EXIMBANK CONSIDERS FINANCING EXPORT SALES TO ROMANIA. (A CASE IN POINT IS THE PROPOSED EXPORT SALE OF HELICOPTERS TO ROMANIA, VALUED AT ABOUT \$100 MILLION, FOR WHICH A US FIRM IS REQUESTING FINANCING. WE HAVE SENT SEPARATE MESSAGES (REFTELS) ADDRESSING THIS SPECIFIC CASE.)  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC DEVELOPMENT, AIRCRAFT SALES, HELICOPTERS, BANK LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 AUG 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973BUCHAR02966  
**Document Source:** CORE  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** BUCHAREST  
**Handling Restrictions:** n/a  
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**Legacy Key:** link1973/newtext/t19730837/aaaabazv.tel  
**Line Count:** 97  
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**Office:** ACTION EB  
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**Original Handling Restrictions:** n/a  
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**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** A) BUCHAREST 0732 B) BUCHAREST 2352, C) BUCHAREST 2857  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ROLE AND OBJECTIVES OF EXIMBANK: ROMANIA  
**TAGS:** ETRD, RO, (KEARNS, HENRY)  
**To:** STATE  
**Type:** TE  
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